

105TH CONGRESS  
2D SESSION

# H. R. 4414

To amend the Internal Revenue Code of 1986 to repeal the 1993 increase in taxes on Social Security benefits.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 5, 1998

Mr. NEUMANN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the 1993 increase in taxes on Social Security benefits.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Repeal the Social Secu-  
5 rity Tax Increase Act”.

### 6 **SEC. 2. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY** 7 **BENEFITS.**

8 (a) IN GENERAL.—Paragraph (2) of section 86(a) of  
9 the Internal Revenue Code of 1986 (relating to social se-



1 curity and tier 1 railroad retirement benefits) is amended  
 2 by adding at the end the following new sentence:

3 “This paragraph shall not apply to any taxable year  
 4 beginning after December 31, 1998.”

5 (b) CONFORMING AMENDMENTS.—

6 (1) Paragraph (3) of section 871(a) of such  
 7 Code is amended by striking “85 percent” in sub-  
 8 paragraph (A) and inserting “50 percent”.

9 (2)(A) Subparagraph (A) of section 121(e)(1)  
 10 of the Social Security Amendments of 1983 (Public  
 11 Law 98–21) is amended—

12 (i) by striking “(A) There” and inserting  
 13 “There”;

14 (ii) by striking “(i)” immediately following  
 15 “amounts equivalent to”; and

16 (iii) by striking “, less (ii)” and all that  
 17 follows and inserting a period.

18 (B) Paragraph (1) of section 121(e) of such Act  
 19 is amended by striking subparagraph (B).

20 (C) Paragraph (3) of section 121(e) of such Act  
 21 is amended by striking subparagraph (B) and by re-  
 22 designating subparagraph (C) as subparagraph (B).

23 (D) Paragraph (2) of section 121(e) of such  
 24 Act is amended in the first sentence by striking  
 25 “paragraph (1)(A)” and inserting “paragraph (1)”.



1 (c) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to taxable years beginning after  
 3 December 31, 1998.

4 **SEC. 3. OFFSET THROUGH REDUCTIONS IN DISCRE-**  
 5 **TIONARY SPENDING LIMITS; APPROPRIA-**  
 6 **TIONS AUTHORIZED FOR FEDERAL HOSPITAL**  
 7 **INSURANCE TRUST FUND.**

8 (a) REDUCTION IN DISCRETIONARY SPENDING LIM-  
 9 ITS.—Whenever the Director of the Office of Management  
 10 and Budget estimates this legislation under section  
 11 252(d)(2) of the Balanced Budget and Emergency Deficit  
 12 Control Act of 1985, the Director shall decrease the ad-  
 13 justed discretionary spending limits set forth in section  
 14 251(c) of such Act for budget authority and outlays—

15 (1) for fiscal year 1999 for the nondefense cat-  
 16 egory by \$4.5 billion;

17 (2) for fiscal year 2000 for the discretionary  
 18 category by \$8.3 billion;

19 (3) for fiscal year 2001 for the discretionary  
 20 category by \$8.8 billion; and

21 (4) for fiscal year 2002 for the discretionary  
 22 category by \$9.1 billion.

23 (b) AUTHORIZATION OF APPROPRIATION OF EQUIVA-  
 24 LENT OF TAX REDUCTION TO FEDERAL HOSPITAL IN-  
 25 SURANCE TRUST FUND.—For each of the fiscal years



1 specified in subsection (a), there is hereby authorized to  
2 be appropriated to the Federal Hospital Insurance Trust  
3 Fund established by section 1817 of the Social Security  
4 Act an amount equal to the amount by which the adjusted  
5 discretionary spending limit is reduced under subsection  
6 (a) for such fiscal year.

7 (c) EFFECT ON PAYGO SCORECARD.—For purposes  
8 of section 252(b) of the Balanced Budget and Emergency  
9 Deficit Control Act of 1985, an amount equal to the de-  
10 crease in the discretionary spending limit for outlays for  
11 each such fiscal year pursuant to subsection (a) shall be  
12 treated as direct spending legislation decreasing the deficit  
13 for that fiscal year.

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